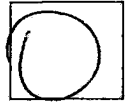


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02237A
Orange Grove Water Company
PO Box 889
Yuma, AZ 85366

RECEIVED

CORP COMM
Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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SEE ACCOUNTANT'S COMPILATION REPORT

FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-12-07RA

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>ORANGE GROVE WATER COMPANY INC</u>		
Mailing Address <u>P O Box 889</u>		
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85366-0889</u> (Zip)
<u>928-726-8272</u> Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		
Local Office Mailing Address <u>P O Box 889</u>		
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85366-0889</u> (Zip)
<u>928-726-8272</u> Local Office Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		

MANAGEMENT INFORMATION

Management Contact: <u>KATHLEEN M DAY</u>		
(Name)		<u>PRESIDENT</u> (Title)
<u>P O Box 889</u>		
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85366-0889</u> (Zip)
<u>928-726-8272</u> Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		
On Site Manager: <u>KATHLEEN M DAY</u>		
(Name)		
<u>P O Box 889</u>		
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85366-0889</u> (Zip)
<u>928-726-8272</u> Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		

SEE ACCOUNTANT'S COMPILATION REPORT

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: <u>GLENN J. GIMBERT</u>			
(Name)			
<u>1206 SOUTH 41ST AVE</u>	<u>YUMA</u>	<u>AZ</u>	<u>85364</u>
(Street)	(City)	(State)	(Zip)
<u>928-627-2027</u>	<u>N/A</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>GLENN J. GIMBERT</u>			
(Name)			
<u>1206 SOUTH 41ST AVE</u>	<u>YUMA</u>	<u>AZ</u>	<u>85364</u>
(Street)	(City)	(State)	(Zip)
<u>928-627-2027</u>	<u>N/A</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input checked="" type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

OLANAC G RIVE WATER COMPANY INC

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	—	—	
302	Franchises	—	—	
303	Land and Land Rights	3739	—	3739
304	Structures and Improvements	30000	20000	10000
307	Wells and Springs	11699	11699	—
311	Pumping Equipment	16509	11691	4818
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	3504	3504	—
331	Transmission and Distribution Mains	138530	134451	4079
333	Services	11264	11264	—
334	Meters and Meter Installations	5076	5076	—
335	Hydrants	8906	6306	2600
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	—	—	—
340	Office Furniture and Equipment	15775	11459	4316
341	Transportation Equipment	7958	1237	6721
343	Tools, Shop and Garage Equipment	1200	95	1105
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	—	—	—
346	Communication Equipment	—	—	—
347	Miscellaneous Equipment	—	—	—
348	Other Tangible Plant	—	—	—
	TOTALS	254160	216782	37378

This amount goes on the Balance Sheet Acct. No. 108

SEE ACCOUNTANT'S COMPILATION REPORT

COMPANY NAME

ORANGE GROVE WATER COMPANY INC

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	—	—	—
302	Franchises	—	—	—
303	Land and Land Rights	3739	—	—
304	Structures and Improvements	30000	5%	1500
307	Wells and Springs	11699	5%	—
311	Pumping Equipment	16509	5%	404
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	3504	5%	—
331	Transmission and Distribution Mains	138530	5%	701
333	Services	11264	5%	—
334	Meters and Meter Installations	5076	5%	—
335	Hydrants	8906	5%	142
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	—	—	—
340	Office Furniture and Equipment	15775	5%	789
341	Transportation Equipment	7958	5%	343
343	Tools, Shop and Garage Equipment	1200	5%	60
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	—	—	—
346	Communication Equipment	—	—	—
347	Miscellaneous Equipment	—	—	—
348	Other Tangible Plant	—	—	—
	TOTALS	254160		3939

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

SEE ACCOUNTANT'S COMPILATION REPORT

COMPANY NAME ORANGE GLOVE WATER COMPANY INC

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 8055	\$ 2778
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	16446	5108
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 24501	\$ 7886
	FIXED ASSETS		
101	Utility Plant in Service	\$ 247626	\$ 254160
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	212843	216782
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 34783	\$ 37378
	TOTAL ASSETS	\$ 59284	\$ 45264

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

SEE ACCOUNTANT'S COMPILATION REPORT

COMPANY NAME ORANGE GROVE WATER COMPANY INC

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	2227	2092
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		6154
	TOTAL CURRENT LIABILITIES	\$ 2227	\$ 8246
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$ —
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	52188	52188
272	Less: Amortization of Contributions	31310	36528
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 20878	\$ 15660
	TOTAL LIABILITIES	\$ 23105	\$ 23906
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 4070	\$ 4070
211	Paid in Capital in Excess of Par Value	1934	1934
215	Retained Earnings	30175	15354
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 36179	\$ 21358
	TOTAL LIABILITIES AND CAPITAL	\$ 59284	\$ 45264

SEE ACCOUNTANT'S COMPILATION REPORT

COMPANY NAME ORANGE GROVE WATER COMPANY, INC.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 92,541	\$ 92,543
460	Unmetered Water Revenue	—	—
474	Other Water Revenues	—	—
	TOTAL REVENUES	\$ 92,541	\$ 92,543
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 46,647	\$ 45,565
610	Purchased Water	—	—
615	Purchased Power	—	—
618	Chemicals	—	—
620	Repairs and Maintenance	6,587	18,216
621	Office Supplies and Expense	1,885	2,105
630	Outside Services	1,050	290
635	Water Testing	375	3,166
641	Rents	—	—
650	Transportation Expenses	566	11,96
657	Insurance – General Liability	5,405	6,078
659	Insurance - Health and Life	—	5,005
666	Regulatory Commission Expense – Rate Case	—	—
675	Miscellaneous Expense	—	—
403	Depreciation Expense	9,454	3,939
408	Taxes Other Than Income	4,231	3,785
408.11	Property Taxes	15,452	7,856
409	Income Tax	1,491	50
	TOTAL OPERATING EXPENSES	\$ 110,111	\$ 116,204
	OPERATING INCOME/(LOSS)	\$ (17,570)	\$ (23,661)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 22	\$ 11
421	Non-Utility Income	8,818	8,518
426	Miscellaneous Non-Utility Expenses	—	—
427	Interest Expense	—	—
	TOTAL OTHER INCOME/(EXPENSE)	\$ 8,840	\$ 8,529
	NET INCOME/(LOSS)	\$ (8,730)	\$ (15,132)

SEE ACCOUNTANT'S COMPILATION REPORT

COMPANY NAME ONARISE GRIFFIN WATER COMPANY INC

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ NONE

Meter Deposits Refunded During the Test Year \$ NONE

SEE ACCOUNTANT'S COMPILATION REPORT

COMPANY NAME <i>JOHNS CREEK WATER COMPANY, INC.</i>	
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
<i>14366</i>	<i>20</i>	<i>30</i>	<i>270</i>	<i>8"</i>		
<i>14366</i>	<i>7 1/2</i>	<i>30</i>	<i>200</i>	<i>6"</i>		

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
<i>/</i>	<i>/</i>	<i>/</i>

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
<i>/</i>	<i>/</i>	<i>10</i>	<i>-</i>

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
<i>2000</i>	<i>1</i>	<i>5000</i>	<i>1</i>

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	ORANGE GROVE WATER COMPANY INC
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	CAST IRON	10097
8	CAST IRON	4097
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	300
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

N/A

OTHER:

N/A

Note: If you are filing for more than one system, please provide separate sheets for each system.

SEE ACCOUNTANT'S COMPILATION REPORT

COMPANY NAME:	OLANGI GAYE WATER COMPANY INC
Name of System	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	315	2471	2471	—
FEBRUARY	316	2627	2627	—
MARCH	316	2369	2369	—
APRIL	315	2620	2620	—
MAY	315	2455	2455	—
JUNE	307	3377	3377	—
JULY	311	3334	3334	—
AUGUST	307	3338	3338	—
SEPTEMBER	311	3793	3793	—
OCTOBER	312	2865	2865	—
NOVEMBER	312	3068	3068	—
DECEMBER	314	2670	2670	—
TOTALS →		34987	34987	—

What is the level of arsenic for each well on your system? .0040 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

SEE ACCOUNTANT'S COMPILATION REPORT

COMPANY NAME ORANGE GROVE WATER COMPANY Inc YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 7 856 .

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

SEE ACCOUNTANT'S COMPILATION REPORT

ORANGE GROVE WATER CO. INC.
P.O. BOX 889
YUMA, AZ 85306

Date 4-21-06 1001

To the order of Guerra la Trazadora \$ 3534.48
Three Thousand Five Hundred Thirty Four and 48/100

1st BANK YUMA
1000 S. 4th Avenue
Yuma, AZ 85304

For Deposit

⑆ 222405906⑆ 0086454904⑆ 1001 ⑆0000353448⑆

#1001 Posted 5/03/06 \$3,534.48

ORANGE GROVE WATER CO. INC.
P.O. BOX 889
YUMA, AZ 85306

Date 12-29-06 6754

To the order of Guerra la Trazadora \$ 3621.76
Three Thousand Six Hundred Twenty One and 76/100

1st BANK YUMA
1000 S. 4th Avenue
Yuma, AZ 85304

For Deposit

⑆ 222405906⑆ 0086462222⑆ 6754 ⑆0000362176⑆

#6754 Posted 12/29/06 \$3,621.76

ORANGE GROVE WATER CO. INC.
P.O. BOX 889
YUMA, AZ 85306

Date 6-23-06 6619

To the order of Guerra la Trazadora \$ 256.82
Two Hundred Fifty Six and 82/100

1st BANK YUMA
1000 S. 4th Avenue
Yuma, AZ 85304

For Deposit

⑆ 222405906⑆ 0086462222⑆ 6619 ⑆0000025682⑆

#6619 Posted 6/23/06 \$256.82

ORANGE GROVE WATER CO. INC.
P.O. BOX 889
YUMA, AZ 85306-0889

Date 4-17-06 6582

To the order of Guerra la Trazadora \$ 270.17
Two Hundred Seventy and 17/100

1st BANK YUMA
1000 S. 4th Avenue
Yuma, AZ 85304

For Deposit

⑆ 222405906⑆ 0086462222⑆ 6582 ⑆0000027017⑆

#6582 Posted 4/24/06 \$270.17

ORANGE GROVE WATER CO. INC.
P.O. BOX 889
YUMA, AZ 85306-0889

Date 4-17-06 6583

To the order of Guerra la Trazadora \$ 173.14
One Hundred Seventy Three and 14/100

1st BANK YUMA
1000 S. 4th Avenue
Yuma, AZ 85304

For Deposit

⑆ 222405906⑆ 0086462222⑆ 6583 ⑆0000017314⑆

#6583 Posted 4/24/06 \$173.14

3,534.48*+
3,621.76 +
256.82 +
270.17 +
173.14 +

7,856.37 *

SEE ACCOUNTANT'S COMPILATION REPORT

12/31/06

2006 BOOK DEPRECIATION SCHEDULE

PAGE 1

CLIENT 0325

ORANGE GROVE WATER COMPANY, INC.

86-0285858

3/10/07

12:55PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 1120																
AUTO / TRANSPORT EQUIPMENT																
19	CHEVY VAN	5/31/93		1,424							1,424	894	S/L	20		71
40	1995 JEEP	2/28/06		6,534							6,534		S/L	20		272
TOTAL AUTO / TRANSPORT EQUIP																
				7,958		0	0	0	0	0	7,958	894				343
FIRE HYDRANTS																
30	HYDRANTS	VARIOUS		6,069							6,069	6,069	S/L	20		0
39	FIRE HYDRANT	4/18/05		2,837							2,837	95	S/L	20		142
TOTAL FIRE HYDRANTS																
				8,906		0	0	0	0	0	8,906	6,164				142
FURNITURE AND FIXTURES																
14	COMPUTER SOFTWARE	6/01/91		1,044							1,044	780	S/L	20		52
15	COMPUTER HARD DISK	5/01/92		1,571							1,571	1,079	S/L	20		79
23	OFFICE FURN & EQUIPMENT	VARIOUS		8,522							8,522	7,039	S/L	20		426
31	486 COMPUTER & EQUIPMENT	8/31/95		2,312							2,312	1,276	S/L	20		116
32	COMPUTER & SCANNER	11/01/00		1,326							1,326	396	S/L	20		66
35	COMPUTER EQUIPMENT	11/13/04		1,000							1,000	100	S/L	20		50
TOTAL FURNITURE AND FIXTURE																
				15,775		0	0	0	0	0	15,775	10,670				789
IMPROVEMENTS																

12/31/06

2006 BOOK DEPRECIATION SCHEDULE

PAGE 2

CLIENT 0325

ORANGE GROVE WATER COMPANY, INC.

86-0285858

3/10/07

12:55PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
16	WATER TANK	10/01/92		6,500							6,500	4,306	S/L	20		325
17	WATER TANK - REPLACEMENT	7/01/92		3,750							3,750	2,538	S/L	20		188
22	WATER TANKS - EQUIPMENT	5/01/93		3,755							3,755	2,381	S/L	20		188
24	TRANS & DISTR MAINS	VARIOUS		124,525							124,525	124,525	S/L	20		0
	TOTAL IMPROVEMENTS			138,530		0	0	0	0	0	138,530	133,750				701
	LAND															
4	LAND AND LAND RIGHTS	1/01/73		900							900					0
	TOTAL LAND			900		0	0	0	0	0	900	0				0
	MISCELLANEOUS															
25	WELLS & SPRINGS	1/01/81		11,699							11,699	11,699	S/L	20		0
27	DISTRIBUTION RESERVOIRS	VARIOUS		3,504							3,504	3,504	S/L	20		0
28	SERVICES	VARIOUS		11,264							11,264	11,264	S/L	20		0
29	METERS	VARIOUS		5,076							5,076	5,076	S/L	20		0
	TOTAL MISCELLANEOUS			31,543		0	0	0	0	0	31,543	31,543				0
	PUMPS															
26	ELECTRIC PUMP EQUIPMENT	VARIOUS		10,728							10,728	10,613	S/L	20		115
34	NEW WELL PUMP-INSTALLED	8/27/03		5,781							5,781	674	S/L	20		289
	TOTAL PUMPS			16,509		0	0	0	0	0	16,509	11,287				404
	SHOP EQUIPMENT															

12/31/06

2006 BOOK DEPRECIATION SCHEDULE

PAGE 3

CLIENT 0325

ORANGE GROVE WATER COMPANY, INC.

86-0285858

3/10/07

12:55PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
38	GOLF CART	5/21/05		1,200							1,200	35	S/L	20		60
	TOTAL SHOP EQUIPMENT			1,200		0	0	0	0	0	1,200	35				60
	TOTAL DEPRECIATION			221,321		0	0	0	0	0	221,321	194,343				2,439
FORM 1120 - RESIDENTIAL RENTAL																
BUILDINGS																
20	RESIDENCE - SOMERTON AZ	8/17/93		30,000							30,000	18,500	S/L	20		1,500
	TOTAL BUILDINGS			30,000		0	0	0	0	0	30,000	18,500				1,500
LAND																
21	LAND - SOMERTON HOUSE	8/17/93		2,839							2,839					0
	TOTAL LAND			2,839		0	0	0	0	0	2,839	0				0
	TOTAL DEPRECIATION			32,839		0	0	0	0	0	32,839	18,500				1,500
	GRAND TOTAL DEPRECIATION			254,160		0	0	0	0	0	254,160	212,843				3,939

THEODORE F. GAFFIN

Certified Public Accountant

250 West 24th Street - Suite G

Yuma, Arizona 85364-8506

Office Phone 928-782-3704

Home Phone 928-342-6015

Cell Phone 928-503-2710

Fax 928-782-0955

Email tfgaffincpa@theriver.com

ACCOUNTANT'S COMPILATION REPORT

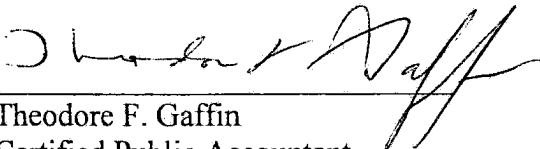
Orange Grove Water Company, Inc.
P. O. Box 889
Yuma, Arizona 85366-0889

March 10, 2007

I have compiled the balance sheet of Orange Grove Water Company (A Corporation) as of December 31, 2006, and the related statement of income and expense and the supplementary information for the year then ended included in the accompanying prescribed form in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of certified Public Accountants.

My compilation was limited to presenting in the form prescribed by the State of Arizona Corporation Commission Utilities Division information that is the representation of management. I have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and supplementary information are presented in accordance with the requirements of the State of Arizona Corporation Commission Utilities Division, which differ from generally accepted accounting principals. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.


Theodore F. Gaffin
Certified Public Accountant

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>YUMA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>KATHLEEN M DAY</u>
COMPANY NAME	<u>ORANGE GROVE WATER COMPANY INC</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

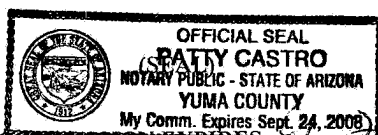
Kathleen M. Day
SIGNATURE OF OWNER OR OFFICIAL
928-726-8272
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF

COUNTY NAME	<u>Yuma</u>	
MONTH	<u>March</u>	<u>2007</u>
<u>Patty Castro</u> SIGNATURE OF NOTARY PUBLIC		



MY COMMISSION EXPIRES

COMPANY NAME ORANGE GROVE WATER COMPANY, INC. YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	(LOSS)	<u>(14,724)</u>
Estimated or Actual Federal Tax Liability		<u>—</u>

State Taxable Income Reported	(LOSS)	<u>(14,674)</u>
Estimated or Actual State Tax Liability		<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>—</u>
Amount of Gross-Up Tax Collected	<u>—</u>
Total Grossed-Up Contributions/Advances	<u>—</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Kathleen M. Day
SIGNATURE

3-14-07
DATE

KATHLEEN M DAY
PRINTED NAME

PRESIDENT
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>YUMA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>KATHLEEN M DAY</u>
COMPANY NAME	<u>ORANGE GROVE WATER COMPANY INC</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 99,434

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 6,891

IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Kathleen M. Day
SIGNATURE OF OWNER OR OFFICIAL
928-726-8272
TELEPHONE NUMBER

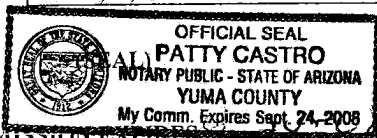
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14th

DAY OF



MY COMMISSION EXPIRES SEP 24 2008

COUNTY NAME	<u>Yuma</u>
MONTH	<u>March</u>
	<u>2007</u>

Patty Castro
SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED

ARIZONA CORPORATION COMMISSION
Director Office

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME) YUMA	
NAME (OWNER OR OFFICIAL) KATHLEEN M DAY	TITLE PRESIDENT
COMPANY NAME ORANGE GROVE WATER COMPANY INC	

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 99434

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 6891
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Kathleen M Day
SIGNATURE OF OWNER OR OFFICIAL
928-726-8272
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

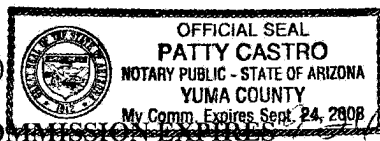
THIS

14/46

DAY OF

NOTARY PUBLIC NAME Patty Castro	
COUNTY NAME Yuma	
MONTH March	2007

(SEAL)



MY COMMISSION EXPIRES

X

Patty Castro
SIGNATURE OF NOTARY PUBLIC